

GLENROCK STATION LTD.

Thursday, September 04, 2008,

MacKenzie District Council,
Plan Change 13

Background:

1. My name is Ann Scanlan, my role with Glenrock, Rollesby and Holbrook, is General Manager/Director, for the company Glenrock Station Ltd, this involves overseeing the day to day management of the property, handling financial and all beaucratic matters for the company.
2. The properties were purchased October 2001 from the France Brothers who had been 2nd generation farming family, which originally started with Glenrock, adding Holbrook and Rollesby properties in the late 70's and early 80's.
3. When the property was purchased in 2001, it was purchased by a partnership, which also owned and farmed both Otamatapaio and Rugged Ridges, two pastoral lease properties in the Waitaki Valley. Otamatapaio has since been freeholded. The partnership comprised of three owners:
 - 3.1 The Botto family of Reda Successori, Biella, Italy, a vertically integrated woollen mill;
 - 3.2 The Lempriere family of Lempriere Co. Ltd, Melbourne, Australia, international wool buyer and exporters; and
 - 3.3 John Perriam of Bendigo Station, Tarras, Otago.
4. During 2006, the Botto family purchased the Glenrock, Holbrook and Rollesby properties outright and have continued farming since.

Farming Operation:

Glenrock:	3893 ha	Lease hold
	357 ha	Freehold
Which consists of:	130 ha	Lucerne flats
	50 ha	pasture paddocks
	1750 ha	oversown hill
		balance native high country
 Holbrook:	 7185 ha	
Which consists of	45 ha	border dyke irrigation
	86 ha	Pivot irrigation

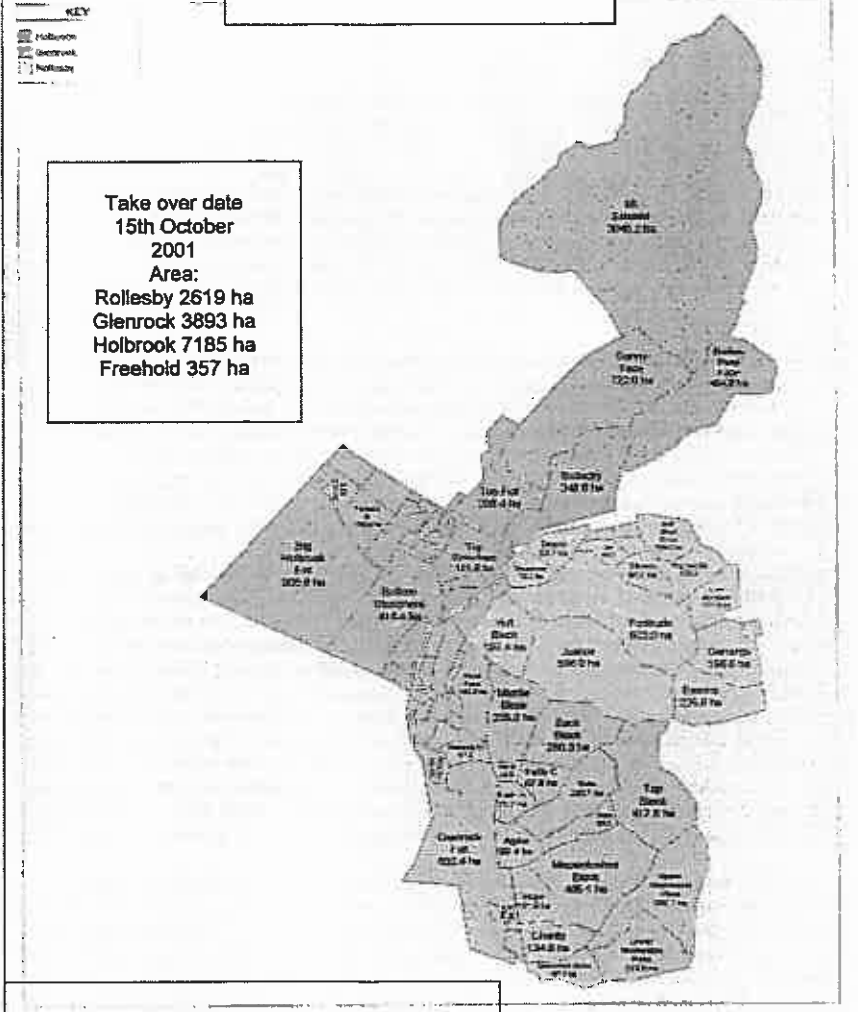
190 ha Dry land Lucerne and pasture paddocks
250 ha Direct drilled blocks
550 ha Oversown hill country
Balance native high country

Rollesby: 2619 ha
Which consists of 250 ha Pasture, old and new direct drilled
1420 ha Oversown
Balance native high country

GLENROCK STATION LTD.

KEY
 Holbrook
 Glenrock
 Freehold

Take over date
 15th October
 2001
 Area:
 Rollesby 2619 ha
 Glenrock 3893 ha
 Holbrook 7185 ha
 Freehold 357 ha



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Altitude:

Glenrock: 550 m to 1384 m
Holbrook: 600 m to 1915 m
Rollesby: 610 m to 1210 m.

Location:

5. Co-joined, the three properties are situated between Burkes Pass and Lake Tekapo, road frontage to State Highway 8 which dissects Holbrook and provides frontage to the Rollesby Block. Haldon road provide frontage to Holbrook, Rollesby and Glenrock. The Fairlie township is 30 km to the east and and Lake Tekapo township approx 12 km to the west.

Climate:

6. Rainfall varies from 450 mm per annum at low altitude to approx 750 mm at higher altitude. The properties can experience hot dry summers and some long cold winters, the properties having a history of high snow risk.

Snow Late May 2002



Farm Management:

7. The three properties have been farmed as one holding, each property offering different attributes. Glenrock is drier (what we term sweeter country), good for merinos and winter management of hogget's,. There is less snow risk, Holbrook, slightly higher in altitude offers a good balance of summer grazing. In the high country, it has high snow risk, but lowland flats expansive autumn winter grazing, along side irrigated area. Irrigation offers the property the ability for a guaranteed area to make supplement feed requirements, and also ability to finish all surplus stock and grow the young capital stock out to optimum potential.
8. Rollesby country adds a good balance of heavier country that receives predominately easterly rainfalls. The country lies more on the colder side, but gives the property the ability to run dual sheep flock, allowing a halfbred flock to be managed along with cattle.
9. The property is presently running 10,500 stock units, a mix of merino and halfbred flock along with beef cattle. The introduction of the halfbred flock gives the company flexibility for income, with both meat and wool, not so reliant on the international fine wool market which has a history of been very volatile.

Development:

10. Since takeover in 2001 the properties have undergone an aggressive development programme:
 - re grass programme on existing 45 ha border dykes
 - 86 ha pivot commissioned March 2004
 - aggressive hill fertilizer and oversowing programme on existing over sown country
 - fertilizer and oversowing of new hill country
 - 100 km stock lane system between all three properties
 - 100 ha of new Lucerne paddocks
 - Major regrass programme on old existing paddocks at Rollesby

Tenure Review:

11. In 2002 the property entered the tenure review process. This is presently at the preliminary proposal stage. The reason for entering the tenure process, is the company believes that once the freeholding was completed it allowed the property more flexibility to diversify which offered more economic viability.
12. Proposed Plan Change 13 makes the whole viability of farming in the MacKenzie very marginal.
13. The Plan Change 13 is very restrictive for any future developments. There seems to be major duplication between our government departments, ie LINZ who handle all consenting issues for pastoral lease properties, and then you have the

District council slapping outstanding landscape zones on blanket areas regardless of the area and altitude with very little to no consultation.

14. At Glenrock situation our manager received a phone late in the evening from our Mayor stating that they were going to visit the next day. I was already committed to other meetings that day and couldn't be there. We feel the consultation process was very poorly handled.

Future Developments:

15. The company has development plans to expand the irrigation at Holbrook, under the Waitaki Water allocation plan, we have 5 years to put our existing border dyke irrigation schemes in more efficient systems, no less than 90 % efficiency.
16. Under the Plan Change 13, this will make the process impractical, future irrigation is about efficiency, better utilization of water via water storage, under Plan change 13 to build a dam it would be next to impossible, let alone any earth works in putting in additional pivots.
17. Glenrock Station Ltd has 5 year hill country development plans for oversowing/fertilizer. Once again Plan Change 13 will totally inhibit the progress of this. We will end up having to pay exhorbidant sums of money in legal costs fighting in the High Court to make a little simple farming progress.
18. With the massive price increases we are seeing of all commodities required to run a high country station we have to be allowed to progress and develop the resources within the properties, within sensible, common sense boundaries set by the correct authorities.

Guardian Status

19. Plan Change 13 in my view is a "kick in the teeth" for High Country farmers who have sought to manage MacKenzie Basin properties for the benefit of all New Zealanders.
20. We accept, as farmers in this area, that there needs to be sensitive management of the land – particularly in erosion prone areas – given the harsh climatic conditions under which we operate. Soil cover and pasture improvement are our greatest combined resource. This husbandry of the Tussock grasslands and higher areas of our properties has occurred irrespective of what the District Plans have said in the past and in my view will continue in to the future – so long as the farms have the freedom to remain viable economic units.
21. Over grazing of the properties is perhaps the greatest risk to the protection of the overall resource. For farmers it is all about balancing the limited grazing on the

higher altitude blocks – with more intensive finishing and feed supplement areas (for silage and haymaking) on the flats.

22. If we are hamstrung in terms of the flexibility which these properties rely on for the development/ and economic sustainability of these properties – then the risk of introducing poor land management practices increases as alternatives to manage climatic factors are removed from the farmers who actually manage the land.
23. I'm sure that the Council has been influenced by consultants (who do not live and farm in the area) to introduce Change 13 on the basis that it will give added protection to the MacKenzie Basin. My fear is that the reverse is true.
24. Each of the farms I am involved in running, needs the balance of the MacKenzie Basin flats to support the stock numbers on the overall property.
25. Policies in the Plan which require us to “stand still” and not consider intensification of some limited areas of our properties, will in my view be harmful in the extreme – not only to the overall sheep industry – but to the Council and to the wider public.
26. The concept that we may have to apply for a change in farm practices to the Council is fraught with difficulties. The farmers of the Basin are small in number, we anticipate that any change would be widely contested by various interest groups that do not live in the district. The resources that would need to be applied would be significant, and our role as guardians of the management practices for our properties would be severely undermined.
27. Council needs to think very carefully about whether it is in the best interests of the district to down play the guardianship role that has allowed these sensitive landscapes to be maintained, in favour of introducing more restrictive rules into the plan.

Climatic Factors

28. I've already discussed the elevations of the three properties which I manage. The location of the properties makes them all subject to high snow risk, low annual rainfall and high winds.
29. These climatic factors lead to the need farm these properties on more than simply an annual model. Low rainfall years, for example, can mean that annual silage requirements cannot be guaranteed every year. Similarly the risk of stock losses from unseasonal events during lambing or during the winter months mean that we

need several seasons to maintain a buffer – to either build stock numbers up or to make silage during those good years.

30. Again this emphasizes the need for the farming operations to be flexible and to develop long term development plans. This plan change will frustrate those longer term strategies.
31. At Holbrook, for example, we want to use our water resources more efficiently. Inevitably this would potentially increase the amount of irrigated flats on the property. The balance achieved by this, will decrease the risk of overgrazing of the property as a whole in particularly dry years – and with little issues of visibility of these more intensive areas other than from a 737 at 25,000 feet.

Who is this Plan Change seeking to please?

32. The council needs to think carefully as to who is going to be better off by this plan change. It is certainly not being done for the farmers that live and operate in the area.
33. It is not being done for the MacKenzie community because a \$1.00 earned farming generally has a multiplier effect of around 6 times – by the time that resources are applied within the community
34. At most it might be being done for the benefit of the tourist traveling down State Highway 8 at 100km/hour.
35. I would like to invite Council to re-evaluate who it should have in the forefront of its mind in determining who it should aim to protect by its plan.
36. It needs to protect the viability of the existing properties. It needs to accept that these properties cannot stand still and simply be the guardian for the State Highway 8 tourist. Ultimately the ability to maintain the visual characteristics of the MacKenzie basin will only be maintained so long as the farmers can continue to be viable.

Outstanding Natural Landscape?

37. I accept that we live in a landscape with significant natural features – which can simply never be removed. The backdrop of the Main Divide in the MacKenzie basin is awe inspiring every day that I am there.
38. Most farmers will have no wish in seeing houses dotted all over the landscape. However, I urge this committee to see the MacKenzie basin and its lower terraces

as the “work horse” of that environment which affords protection to the upper areas.

39. This land has been modified by farming practices. Over many years the tussock grassland environment has undergone significant improvement with oversowing and top dressing. It is very much a working environment – even though, to the casual motorist, it may appear as simply a dry tussock landscape.
40. Again I emphasise that there is nothing to be gained in restricting the status of the landscape values on these flats to the detriment of the farming operations.

Conclusion

41. Finally, I would like to say that the farming community is under attack from many angles at the moment – some are from international markets which we may have little influence to control, such as exchange rates or world fine wool product prices. Others such as climate change policies will simply become another tariff on our product prices – if allowed to be introduced.
42. However, the measures suggested by this plan are within our control. I urge the council to decline those parts of the variation which we have submitted on so as not to put another effective tariff on the farming community. We have simply had enough!

Ann Scanlon

